

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Tuesday, June 9, 2009**

The Board of Directors of Brooktrails Township Community Services District met in regular session on June 9, 2009 at 7:00 p.m. at the Brooktrails Community Center.

A. PLEDGE OF ALLEGIANCE

B. ROLL CALL

Roll call showed the following directors present: Williams, Ziady, Orth and Horrick. President Skezas was absent with notice and therefore Vice-President Horrick presided. Also present were General Manager Chapman and District Counsel Neary.

REPORT ON CLOSED SESSION

None.

C. ADDITIONS/ADJUSTMENTS TO THE AGENDA

None.

D. MINUTES OF PREVIOUS MEETINGS

1. May 26, 2009. Director Horrick moved to approve the minutes; Director Ziady seconded. The minutes were unanimously approved.

E. SPECIAL PRESENTATION

None.

F. PUBLIC HEARINGS

2. Public Hearing on Proposed Budget for FY 2009-10. General Manager Chapman reviewed previous action on the budget through its current form. The anticipated appropriation for this fiscal year is \$2,630,800.00. Vice-President Horrick opened the public hearing at 7:04 p.m. There being no comments, he closed the public hearing at 7:05 p.m.

3. Public Hearing (1st of 2) on Proposed Rates & Fees for FY 2009-10. Director Orth commented that we still have the potential of the state taking some portion of our property tax and hence, our budget. Mr. Chapman confirmed that we had sent an early notice to our residents on sewer plant costs and rate increase. He said the District was proposing to raise the sewer rate from \$32.57 to \$50.09/month, a decision not made lightly. Willits was going into the \$47.00 range this July and the following year to the \$53.00 range. The sewer plant costs were still estimated at about \$31 million. He said the water base rate increase was proposed going from \$34.07 to \$36.14. He spoke for the record saying we had received three written complaints: one from Richard Estabrook protesting the water base rate increase (alone); an anonymous letter protesting both water and sewer; and the third from James Cunningham protesting both water and sewer. He was aware of less than half a dozen telephone calls protesting the rates.

Vice-President Horrick said this is the first public hearing and there will be another on June 23rd. Vice-President Horrick opened the public hearing at 7:08 p.m. There being no comments, he closed the public hearing at 7:09 p.m.

G. PUBLIC COMMENTS

Angela Wartell of Daphne Way said she wasn't informed about the new fence at the children's playground and felt she should have been. The website informed that at the annual planning meeting the Recreation/Greenbelt Committee had said they wanted to install a 4' fence around the playground for multiple reasons. She wanted to know those reasons and expressed her opinion that money could have been better spent; she wanted to know how to get it removed. Mr. Chapman responded that the primary reason was to keep dogs and dog feces out of the area and said we would be soon posting a "no dogs allowed" sign. Director Ziady said the process went through the Recreation Committee; every year they plan projects. It was not just about dog feces, but about people letting their dogs off-leash. There also is a creek and some danger there. Director Ziady said mothers of very young children asked for the fence. Ms. Wartell responded she liked the open aesthetic of the Brooktrails parks. She said this area is more for older kids, not a place where mothers sit all day and talk. She said she would rather see dog clean-up stations and more garbage cans for her money. She continued that the fence was too close to the children's slide. Director Williams responded that he thought the fence was adequately away from the end of the slide. Ms. Wartell closed saying more mothers would not want the fence. She said she was the coordinator for the Willits play group and could get a petition to remove the fence. Mr. Chapman said we had been thinking about some benches in the playground for adults attending their children. Director

Ziady said it would be a major educational process to get better cleanup from the dog owners. She felt it was a valid idea.

Director Orth said in the Bay Area those fences are for the dogs. Don Morris asked about having the County dogcatcher spend a day there; directors commented their services were being cut. Wallace Stahle said the District could have put up a notice saying it was considering putting up a fence and asking that the public comment within 30 days.

H. CONSENT CALENDAR

4. Review of Accounts Payable report and authorization to issue checks. Director Orth moved to approve payment of the outstanding bills. Director Ziady seconded; the motion was unanimously approved.

I. ACTION AGENDA

5. Financial statement review, 2007 and 2008 – Solid Wastes of Willits. Mr. Chapman said Gerry Ward of SWOW could not make the meeting but would be glad to answer any written questions should we ask. Mr. Chapman explained some of the financial statements and said SWOW has lost customers in the past year due to the economic downturn. SWOW's revenue dropped 1% but expenses increased 3% mostly due to fuel, salary increases, repairs, etc. He said that their long-term debt increased by the \$4 million new 22,000 square foot building and baler equipment. Mr. Chapman noted he could not fully understand the significant tonnage drop in recycling. He mentioned that the four containers provided by SWOW for the June spring cleanup cost SWOW about \$3,200.00. The recent franchise check from SWOW was \$26,145.00, received in May.

Director Ziady asked Mr. Chapman to contact SWOW and investigate a yard waste disposal program for our residents. Vice-President Horrick asked when the next franchise agreement comes due for consideration. Mr. Chapman said 2015. An audience member asked if there had been a decrease in customers. Mr. Chapman said it appeared to have dropped 35 to 40 customers and the total now is 979. Resident Don Morris asked if this would affect the franchise fee and its potential use for collateral *[referring to a proposal to fund golf course improvements with the franchise fee]*. Director Ziady described projects Recreation performs with the franchise fees. Director Orth said he should state that the Board now expected to keep the franchise fee for recreation purposes and to use property taxes if collateral was indeed required. Mr. Chapman commented that the banks tend to have a serious say in that matter since they the ones lending the money. Director Orth noted that a decrease in customers would be met with increased rates. He then moved to accept and file the financial statements from Solid Wastes of Willits for 2007 and 2008; Director Ziady seconded and the motion carried unanimously.

6. Consideration of resolution on annual fund transfers for FY 2009-10. Mr. Chapman said for five or six years we have been working on this housekeeping chore for the auditor. Our goal is to rectify a long-existing debt to the water department. For several years we have been transferring funds to accomplish this goal. Our cash balance now in the General Fund is approximately \$464,000.00, and he mentioned that when the state took away our funds for two years in 2004 and 2005 we were barely able to keep the General Fund in the black, to the tune of about \$2,000.00 - \$4,000.00. He said he would probably have transferred more this year, but due to the State's budget crisis, wanted to keep some cash to keep our liquidity position sound. He then described the forecast transfer of ultimately \$40,000.00 into the Water Enterprise Fund from the General Fund by various transfers. A small transfer amount would remain with the Fire Department, but the Fire Department was still expected to run at a slight loss for the year.

Vice-President Horrick asked what the impact would be on the General Fund if the State does borrow money. Mr. Chapman said he has been checking regularly; in theory it was 8% of our ad valorem tax, or a \$30,000.00 hit. His hope was that it wouldn't be more, like the last time when they took \$116,000.00 twice. He said the latest figures show that the State will be taking \$350 million from districts overall, but typically hospital districts have been exempt. That puts more pressure on the backs of water, sewer, cemetery, and fire districts. Excluding the hospital, we're by far the largest district in the county, and as the Board already knows, we pay more in LAFCO fees than Willits or Fort Bragg because of the formula is rigged in disfavor to districts. Last time, the state did not announce what they were going to do until all the local budgets had been passed. Then they dropped the bomb. Director Orth noted that Prop. 1A requires repayment; Mr. Chapman asked what they would pay it back with. The State's broke and their bond credit ratings have dived on Wall Street.

Director Orth moved to adopt the proposed resolution approving fund transfers for FY 2009-10; Director Ziady seconded. Roll call vote was as follows:

AYES:	Directors:	Williams, Ziady, Orth, Horrick
NOES:	Directors:	None
ABSENT:	Directors:	Skezas

7. Consideration of donation to Mendocino County Cooperative Aerial Fire Patrol. Mr. Chapman said we have been paying a *de minimus* fee each year for this service but given its overall importance and

the \$350,000,000.00 assessed value of the District's lots, he felt this program was extremely beneficial by having someone airborne every day looking for fires during the dry season. Plus, this donation would primarily be going into aviation fuel, not some bureaucracy. Director Orth moved to approve donating \$1,000.00 to Mendocino Cooperative Aerial Fire Patrol; Director Ziady seconded, with thanks for their help. Roll call vote was as follows:

AYES:	Directors:	Williams, Ziady, Orth, Horrick
NOES:	Directors:	None
ABSENT:	Directors:	Skezas

J. ADDITIONS TO FUTURE AGENDAS

Director Orth said he and Director Williams needed to meet with staff on the Specific Plan Update.

K. SPECIAL REPORTS

From Directors: Director Ziady said she would not be at the June 23rd meeting. Director Orth attended the Fort Bragg City Council meeting and they had ratified the resolution to amend MCOG's powers to add an Energy Authority; this resolution is before other cities as well.

From District Counsel: The Paland decision has not come down. Director Williams asked when we would do the legal work on Mr. Estabrook's objection. Counsel Neary said we would footnote the budget to make it clear that whatever the correct amount was would be derived from water availability charges and the rate increase was for operations. He thought we could stand on the original characterization, but why do it? Mr. Chapman pointed out the water availability funds were unrestricted.

From General Manager: Mr. Chapman said at the ACWA conference he learned Southern California municipalities were building in a 10% contingency into their base rates this year for next year's bidding war for water (drought-related). He reported that it would be challenged in the Courts, but nevertheless, the Districts felt they had a strong argument in their favor. Those with the money will have the water. He had a quote for low-flow aerators where we could purchase 3,500 of them for approximately \$2,100.00, and he was thinking as a public relations tactic we might provide these to our customers next year.

Mr. Chapman was asked about the San Diego Tribune article from a Director. He mentioned he received a petition to save the trees from junior high school students in San Diego with an estimated 1,500 signatures, plus another 75 well-written letters raising substantive issues. He responded to the school.

Director Ziady asked about what action had been taken on the complaint about slash on the Romero property. Directors asked for specific information to be provided.

Don Morris said the 22,000 gpd golf course water usage was a breach of contract. Mr. Chapman said we are going to get this in control.

Director Orth said he wanted to make the public aware of the letter the District received from Cecile Morris of the Regional Water Quality Control Board about our sewer maintenance. He read the paragraphs stating that the District had had spills but had complied with RWQCB data requests thoroughly, and responded conscientiously and thoroughly, and had an effective program of operations, maintenance and capital improvements, overall acknowledging the District's efforts. Mr. Chapman said in the new budget we will purchase a \$65,000.00 - \$70,000.00 camera unit and we will look at financing a \$250,000.00 vacuum truck.

L. PUBLIC COMMENTS

An audience member asked if the Board could fine the Golf Course for using more water than allowed and use that money to get out of the moratorium. William Boosinger said the postings in the Community Center window were not positioned for easy visibility. He thanked the District for looking into the Romero slash issue he had raised. He said he had very real concerns about Ron Runberg and his operation of the Golf Course. He said Mr. Runberg stated that you could not use artificial greens; the facts show now that they are viable. He recalled a statement by Mr. Runberg that the course could not be certified if we had artificial greens, and now we know this is not true. There is no problem whatever with certification. He said a competent golf course manager would have been keeping track of that water usage every day. He said he had not heard them acknowledge how generous the people of Brooktrails were to provide this course and subsidize it. He felt the Specific Plan should state that all these redwoods be preserved and not cut except in case of disease or imminent danger, and that the golfers work around it. He suggested putting an artificial green on Green 6 and see if it works. Eventually if we have something approaching old growth and the course is no longer viable, it's run its natural cycle and it's over.

Wally Stahle referred to the "cash shortfalls" reference in the fund transfers resolution, and said it was a shame that the golf course could not sustain itself. He referred to the sprinkler system being "tweaked" only now, after 4 or 5 years. He felt the contract process should be opened up for competitive bid.

Steve Eberhard said his main concerns were fire hazards and dirt bikes in the greenbelt area. He asked how many signs had been placed and was told ten. He said they had been fastened with screws

instead of being riveted or spot-welded. He asked if a sign had been put up at the Dogwood area where they ride on private property. Mr. Chapman said that is not a trail. Mr. Eberhard repeated there should be a post and a sign there. Director Ziady said she thought she had explained that they chose a certain amount of money and to put in ten signs and see how they held up, and that it was not going to all be done in one year. Mr. Eberhard said he wanted two main signs put up also. Director Ziady said what has been done is the first step. Mr. Eberhard said his point again was that the parents of the kids with the dirt bikes see these signs, and he said Kent Stanley from DOT would make these signs in 24x36 for \$75.00 each. Director Orth said CDF crews were going to be working along our trails. Mr. Eberhard asked if the two signs would be approved in a month. Director Ziady said that has to go through the budget process and other process. Director Ziady said there were other projects set for this year.

M. ADJOURNMENT

Director Orth moved to adjourn. Vice-President Horrick adjourned the meeting at 8:20 p.m.

George Skezas, President

ATTEST:

MICHAEL V. CHAPMAN